



**Canadian Health  
Coalition**

MEDIA RELEASE

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## Leading economist shatters myth that public health care is ‘unsustainable’; pins blame for soaring costs on private health care spending

OTTAWA -- One of the world’s leading health economists came out swinging today, shattering the myth that public health care is unsustainable and laying the blame for rising costs at the feet of private health services not covered by Medicare. The message was delivered to Members of Parliament by Dr. Robert G. Evans, an internationally renowned health economist.

“Since 1975, Medicare spending – hospitals and doctors’ services – has remained remarkably stable at between 4% and 5% of our Gross Domestic Product,” said Dr. Evans. “The key cost drivers in health care are the private, for-profit parts – pharmaceuticals, for-profit diagnostic tests, dental and other non-insured services. For example, private drug plan costs are rising 15% a year.

“Opponents of Medicare claim that public health care is fiscally unsustainable and that the only viable solution is a shift to more private coverage. Bluntly, this is a lie,” Dr. Evans said.

“Sustainability is often a code word for privatization and for-profit health care,” Dr. Evans said. “But any debate on the sustainability of public health care must start from who and what drives health care spending, and include a clear identification of the winners and losers of any erosion or dismantling of Medicare.”

Speaking to Members of Parliament and senior government advisors at a breakfast meeting on Parliament Hill, and later at a news conference on the Hill, Dr. Evans took on several of the most popular myths about health care costs. “Canada’s public health care spending is not skyrocketing,” Dr. Evans said. “In fact, our public expenditure on health care is below the OECD average.”

Dr. Evans pointed out that Medicare spending now takes up about the same share of provincial revenues it did 20 years ago. “The problem isn’t uncontrolled public health care spending,” Dr. Evans said. “It’s uncontrolled private health spending combined with a drop in provincial revenues created by large tax cuts over the years.”

Dr. Evans also dismissed the myth that the needs of an aging population will make health care unsustainable. “Population aging is a very small factor in increasing health care costs at 0.8% per year, less than other factors such as population growth (1%)”, said Dr. Evans. “Panic-mongering about a “grey tsunami” is simply a distraction.”

Canadians consistently show they support public health care. Nik Nanos, president and CEO of Nanos Research, joined Dr. Evans on Parliament Hill to present results of a recent national poll that showed almost 90% of Canadians support public solutions to problems in the health care system, and that health care is the most important national issue.

Dr. Evans, O.C., Ph.D. (Economics, Harvard), F.R.S.C., is the University Killam Professor in the Department of Economics at the University of British Columbia. His internationally respected work includes groundbreaking comparative studies of various health care systems and funding strategies.

The briefing session was hosted by the Canadian Health Coalition, a public advocacy organization dedicated to the preservation and improvement of Medicare. Its membership is comprised of national organizations representing nurses, health care workers, seniors, churches, antipoverty groups, women and trade unions as well as affiliated coalitions in nine provinces and one territory.

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